

Wisconsin Local Government Employees

INCOME CONTINUATION INSURANCE

Wisconsin Retirement System



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ETF has made every effort to ensure that this brochure is current and accurate. However, changes in the law or processes since the last revision to this brochure may mean that some details are not current. The most current version of this document can be found at etf.wi.gov. Please contact ETF if you have any questions about a particular topic in this brochure.

ETF does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call 1-877-533-5020 (toll free) or 608-266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.

What is an Income Continuation Insurance (ICI) Benefit?

The Income Continuation Insurance (ICI) benefit is an “income replacement” benefit payable if you become disabled. This insurance is available to all local government employees whose employers have elected to participate in the ICI program. Employees must have completed six months of service under the Wisconsin Retirement System prior to applying for coverage. The benefit provides **up to 75% of your average monthly earnings** based on your previous calendar year earnings rounded to the next highest \$1,000 and divided by 12 (for newly hired employees, your projected annual salary is rounded to the next highest \$1,000 and divided by 12).

- **Standard Coverage**—Covers up to \$64,000 of annual earnings. The maximum benefit is \$4,000 per month. The premiums are paid by the employer and employee.
- **Supplemental Coverage**—Provides an additional benefit of up to \$3,500 to employees whose annual salary exceeds \$64,000. Covers between \$64,000 and \$120,000 of annual earnings. The maximum combined benefit is \$7,500 per month. You must have standard coverage to apply for supplemental coverage. The premiums are paid entirely by the employee.

Each January, your employer will review your salary to determine if you are eligible to enroll in supplemental coverage. If your salary drops below the \$64,000 limit, the supplemental coverage will cease.

ICI provides replacement income for disabilities which are short- and long-term. The benefit usually lasts until you are no longer disabled or you reach age 65 (with some exceptions), whichever is sooner.

Before the benefit starts, you must serve your elimination period. An elimination period is the number of calendar days in which you must be completely off work. You may select an elimination period of up to 180 days.

ICI benefits will not duplicate benefits available from other WRS programs, the Social Security Administration, workers’ compensation, unemployment compensation or certain other sources. You will be required to repay duplicate benefits back to the ICI program.

The ICI program is authorized by Wisconsin Statute § 40.62 and is administered by Aetna.

How do I Enroll?

Option 1: Initial Enrollment

Once you have six months of WRS service, you may enroll by completing the *Income Continuation Insurance Application (ET-2366)* and returning it to your payroll/personnel office within 30 days. Employees who have at least six months of previous WRS service are immediately eligible and must enroll within 30 days of date of hire. You cannot be on leave of absence at the time of enrollment. Elected officials are immediately eligible for coverage and must enroll within 30 days of assuming elective office.

If you are employed at more than one WRS employer and fall under a different ICI plan with a different elimination period, you must file an enrollment application for each position held.

Option 2: Evidence of Insurability

If you do not enroll under option 1, you may enroll if you are medically insurable. You may request an *ICI Application and Evidence of Insurability (ET-2308) form* from the Department of Employee Trust Funds, which asks you and your physician to answer questions concerning your past and present health. An employee with standard ICI coverage may not use EOI to enroll in supplemental coverage.

Coverage

Coverage During Leave of Absence

Your coverage may be continued while on temporary layoff or an approved leave of absence by paying premiums in advance. The maximum time ICI coverage can be continued on an approved leave of absence is 36 months, except that an insured employee on union leave or military leave may continue to be insured for the duration of that leave. You are required to pay the entire premium due (employee and employer portion) to your employer. Payments must be received by your payroll/personnel office prior to the end of coverage so that there is no lapse in coverage. The gross premium amount shall remain the same throughout the period of leave. Upon your return to employment, the premium shall be adjusted if there has been an annual premium or salary adjustment while out on leave.

If your coverage lapses while you are on leave of absence, coverage may be reinstated with the same elimination period and without furnishing evidence of insurability if you submit a new *Income Continuation Insurance Application (ET-2366)* to your employer within 30 days of resuming active employment. Coverage will be effective the first of the month that first occurs during the 30-day enrollment period. Premiums are reinstated using the same elimination period that was in effect prior to the date of the authorized leave until you have worked one full calendar year. After that, the premium will be adjusted at the time of the annual adjustment (April 1) or if there has been a permanent change in your percentage of appointment.

Coverage During Military Leave

Wis. Stat. § 230.32 (1) applies to state employees activated for military service on or after January 1, 2003. This law allows state employees on military leave to receive benefits and state salary (less military pay and allowances), as well as accumulate sick leave and vacation, as though no interruption of state service had occurred, as long as you did not terminate employment. Although this law applies to state employees, if your employer provides this same benefit to their employees, the same rules and

guidelines for state employees would apply to those employees

You may meet the six months eligibility criteria for ICI coverage while on military leave. You may complete the *Income Continuation Insurance Application (ET-2366)* prior to the military leave for an effective date in the future, or a person empowered through a Power of Attorney may sign the ICI Application. Premium deductions and coverage will begin after meeting the eligibility criteria.

If you allow your ICI coverage to lapse while on military leave, you can reinstate coverage with the same elimination period by filing a completed ICI application within 30 days of your return to work. Premiums resume in the same amount as prior to the leave unless there has been an annual premium adjustment or you've had a permanent change in the percentage of appointment. If your military salary is greater than your employment salary, the employer only reports the earnings that you would have earned while employed. Coverage is effective on the first day of the month that first occurs during the 30-day enrollment period.

ICI benefits are not payable for disabilities caused by acts of war (direct or indirect). However, you may have or develop a medical condition unrelated to war service that may qualify you for ICI benefits.

Termination of Coverage

ICI coverage terminates on the date you resign, are dismissed, terminate, retire, turn age 70 or die, whichever occurs first. If coverage ends, a full month's premium is due for any month or portion of a month for which earnings are paid. If your employer withdraws from the program, coverage shall terminate at the end of the calendar year.

If you are disabled under the terms of the plan at the time coverage terminates, you will continue to be eligible to receive benefits as long as the disability continues, up to the maximum duration of benefits as explained in the *When Will My Benefit End?* section.

How Much are the Premiums?

Note: The Local ICI program is currently under a premium holiday. The premium holiday covers standard and supplemental coverage. Rates outlined in this brochure were in effect prior to the premium holiday and are for illustration purposes only.

Premiums are based on your previous calendar year salary, as reported to the WRS (or your projected annual salary, if applicable), rounded to the next higher \$1,000 and divided by 12, and your selected elimination period (see the *Definitions* section).

Premium Change Based on Change in Appointment

Employers must adjust premiums when an employee's percentage of appointment is permanently changed. In these situations, the employer determines the premium rate by projecting earnings for the ensuing 12 months, rounding it to the next higher \$1,000 and dividing by 12. These estimated monthly earnings are used as a basis for coverage until, at the time of the annual adjustment, a full calendar year of WRS reportable salary is available.

Annual Premium Adjustment

Effective every April 1, your employer will adjust your premium based on your total earnings during the previous calendar year as reported to the WRS, rounded to the next higher \$1,000 and divided by 12. If your salary is projected at the time of the annual adjustment, premiums are not adjusted until the next annual review when a full calendar year of WRS-reportable salary is available.

If your appointment is a 50% appointment but you are required to permanently work 100%, your ICI coverage should be based on the 100% work. If you are not required to work 100% on a permanent basis, then your ICI coverage will initially be calculated at the 50% appointment. Once your premiums are adjusted during the annual adjustment period, your coverage will then be based on the previous calendar year earnings as reported to WRS, which will include all of the hours you actually worked.

Calculating Your Premium

Example 1:

Employee with standard coverage only:

Elimination period	90 calendar days
Salary	\$35,000.00 per year
Premium	\$10.94 per month

Example 2:

Employee with standard and supplemental coverage:

Elimination period	90 calendar days
Salary	\$110,000.00 per year
Premium	\$20.00 (standard) + \$24.00 (supplemental coverage)

Total employee premium: \$44.00 per month

Employee Share of Monthly Premium for Standard Coverage

WRS Earnings In The Previous Calendar Year	Elimination Period (in calendar days)				
	30	60	90	120	180
	DAYS	DAYS	DAYS	DAYS	DAYS
0.00 - 5,000.00	3.13	2.19	1.56	0.94	0.00
5,000.01 - 6,000.00	3.75	2.63	1.88	1.13	0.00
6,000.01 - 7,000.00	4.37	3.06	2.19	1.31	0.00
7,000.01 - 8,000.00	5.00	3.50	2.50	1.50	0.00
8,000.01 - 9,000.00	5.63	3.94	2.81	1.69	0.00
9,000.01 - 10,000.00	6.25	4.37	3.12	1.87	0.00
10,000.01 - 11,000.00	6.88	4.81	3.44	2.06	0.00
11,000.01 - 12,000.00	7.50	5.25	3.75	2.25	0.00
12,000.01 - 13,000.00	8.12	5.69	4.06	2.44	0.00
13,000.01 - 14,000.00	8.75	6.13	4.38	2.63	0.00
14,000.01 - 15,000.00	9.38	6.56	4.69	2.81	0.00
15,000.01 - 16,000.00	10.00	7.00	5.00	3.00	0.00
16,000.01 - 17,000.00	10.63	7.44	5.31	3.19	0.00
17,000.01 - 18,000.00	11.25	7.88	5.63	3.38	0.00
18,000.01 - 19,000.00	11.87	8.31	5.94	3.56	0.00
19,000.01 - 20,000.00	12.50	8.75	6.25	3.75	0.00
20,000.01 - 21,000.00	13.13	9.19	6.56	3.94	0.00
21,000.01 - 22,000.00	13.75	9.62	6.87	4.12	0.00
22,000.01 - 23,000.00	14.38	10.06	7.19	4.31	0.00
23,000.01 - 24,000.00	15.00	10.50	7.50	4.50	0.00
24,000.01 - 25,000.00	15.62	10.94	7.81	4.69	0.00
25,000.01 - 26,000.00	16.25	11.38	8.13	4.88	0.00
26,000.01 - 27,000.00	16.88	11.81	8.44	5.06	0.00
27,000.01 - 28,000.00	17.50	12.25	8.75	5.25	0.00
28,000.01 - 29,000.00	18.13	12.69	9.06	5.44	0.00
29,000.01 - 30,000.00	18.75	13.13	9.38	5.63	0.00
30,000.01 - 31,000.00	19.37	13.56	9.69	5.81	0.00
31,000.01 - 32,000.00	20.00	14.00	10.00	6.00	0.00
32,000.01 - 33,000.00	20.63	14.44	10.31	6.19	0.00
33,000.01 - 34,000.00	21.25	14.87	10.62	6.37	0.00
34,000.01 - 35,000.00	21.88	15.31	10.94	6.56	0.00
35,000.01 - 36,000.00	22.50	15.75	11.25	6.75	0.00
36,000.01 - 37,000.00	23.12	16.19	11.56	6.94	0.00
37,000.01 - 38,000.00	23.75	16.63	11.88	7.13	0.00
38,000.01 - 39,000.00	24.38	17.06	12.19	7.31	0.00
39,000.01 - 40,000.00	25.00	17.50	12.50	7.50	0.00
40,000.01 - 41,000.00	25.63	17.94	12.81	7.69	0.00
41,000.01 - 42,000.00	26.25	18.38	13.13	7.88	0.00
42,000.01 - 43,000.00	26.87	18.81	13.44	8.06	0.00
43,000.01 - 44,000.00	27.50	19.25	13.75	8.25	0.00
44,000.01 - 45,000.00	28.13	19.69	14.06	8.44	0.00
45,000.01 - 46,000.00	28.75	20.12	14.37	8.62	0.00
46,000.01 - 47,000.00	29.38	20.56	14.69	8.81	0.00
47,000.01 - 48,000.00	30.00	21.00	15.00	9.00	0.00
48,000.01 - 49,000.00	30.62	21.44	15.31	9.19	0.00
49,000.01 - 50,000.00	31.25	21.88	15.63	9.38	0.00
50,000.01 - 51,000.00	31.88	22.31	15.94	9.56	0.00
51,000.01 - 52,000.00	32.50	22.75	16.25	9.75	0.00
52,000.01 - 53,000.00	33.13	23.19	16.56	9.94	0.00
53,000.01 - 54,000.00	33.75	23.63	16.88	10.13	0.00
54,000.01 - 55,000.00	34.37	24.06	17.19	10.31	0.00
55,000.01 - 56,000.00	35.00	24.50	17.50	10.50	0.00
56,000.01 - 57,000.00	35.63	24.94	17.81	10.69	0.00
57,000.01 - 58,000.00	36.25	25.37	18.12	10.87	0.00
58,000.01 - 59,000.00	36.88	25.81	18.44	11.06	0.00
59,000.01 - 60,000.00	37.50	26.25	18.75	11.25	0.00
60,000.01 - 61,000.00	38.12	26.69	19.06	11.44	0.00
61,000.01 - 62,000.00	38.75	27.13	19.38	11.63	0.00
62,000.01 - 63,000.00	39.38	27.56	19.69	11.81	0.00
63,000.01 - 64,000.00	40.00	28.00	20.00	12.00	0.00

Employee Share of Monthly Premium for Supplemental Coverage

WRS Earnings In The Previous Calendar Year	Elimination Period (in calendar days)				
	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS
64,000.01 - 65,000.00	0.80	0.60	0.50	0.40	0.20
65,000.01 - 66,000.00	1.70	1.30	1.00	0.80	0.40
66,000.01 - 67,000.00	2.50	1.90	1.60	1.20	0.60
67,000.01 - 68,000.00	3.30	2.60	2.10	1.60	0.80
68,000.01 - 69,000.00	4.20	3.20	2.60	2.00	1.00
69,000.01 - 70,000.00	5.00	3.90	3.10	2.40	1.30
70,000.01 - 71,000.00	5.80	4.50	3.60	2.80	1.50
71,000.01 - 72,000.00	6.70	5.20	4.20	3.20	1.70
72,000.01 - 73,000.00	7.50	5.80	4.70	3.60	1.90
73,000.01 - 74,000.00	8.30	6.50	5.20	4.00	2.10
74,000.01 - 75,000.00	9.20	7.10	5.70	4.40	2.30
75,000.01 - 76,000.00	10.00	7.80	6.30	4.80	2.50
76,000.01 - 77,000.00	10.80	8.40	6.80	5.10	2.70
77,000.01 - 78,000.00	11.70	9.00	7.30	5.50	2.90
78,000.01 - 79,000.00	12.50	9.70	7.80	5.90	3.10
79,000.01 - 80,000.00	13.30	10.30	8.30	6.30	3.30
80,000.01 - 81,000.00	14.20	11.00	8.90	6.70	3.50
81,000.01 - 82,000.00	15.00	11.60	9.40	7.10	3.80
82,000.01 - 83,000.00	15.80	12.30	9.90	7.50	4.00
83,000.01 - 84,000.00	16.70	12.90	10.40	7.90	4.20
84,000.01 - 85,000.00	17.50	13.60	10.90	8.30	4.40
85,000.01 - 86,000.00	18.30	14.20	11.50	8.70	4.60
86,000.01 - 87,000.00	19.20	14.90	12.00	9.10	4.80
87,000.01 - 88,000.00	20.00	15.50	12.50	9.50	5.00
88,000.01 - 89,000.00	20.80	16.10	13.00	9.90	5.20
89,000.01 - 90,000.00	21.70	16.80	13.50	10.30	5.40
90,000.01 - 91,000.00	22.50	17.40	14.10	10.70	5.60
91,000.01 - 92,000.00	23.30	18.10	14.60	11.10	5.80
92,000.01 - 93,000.00	24.20	18.70	15.10	11.50	6.00
93,000.01 - 94,000.00	25.00	19.40	15.60	11.90	6.30
94,000.01 - 95,000.00	25.80	20.00	16.10	12.30	6.50
95,000.01 - 96,000.00	26.70	20.70	16.70	12.70	6.70
96,000.01 - 97,000.00	27.50	21.30	17.20	13.10	6.90
97,000.01 - 98,000.00	28.30	22.00	17.70	13.50	7.10
98,000.01 - 99,000.00	29.20	22.60	18.20	13.90	7.30
99,000.01 - 100,000.00	30.00	23.30	18.80	14.30	7.50
100,000.01 - 101,000.00	30.80	23.90	19.30	14.60	7.70
101,000.01 - 102,000.00	31.70	24.50	19.80	15.00	7.90
102,000.01 - 103,000.00	32.50	25.20	20.30	15.40	8.10
103,000.01 - 104,000.00	33.30	25.80	20.80	15.80	8.30
104,000.01 - 105,000.00	34.20	26.50	21.40	16.20	8.50
105,000.01 - 106,000.00	35.00	27.10	21.90	16.60	8.80
106,000.01 - 107,000.00	35.80	27.80	22.40	17.00	9.00
107,000.01 - 108,000.00	36.70	28.40	22.90	17.40	9.20
108,000.01 - 109,000.00	37.50	29.10	23.40	17.80	9.40
109,000.01 - 110,000.00	38.30	29.70	24.00	18.20	9.60
110,000.01 - 111,000.00	39.20	30.40	24.50	18.60	9.80
111,000.01 - 112,000.00	40.00	31.00	25.00	19.00	10.00
112,000.01 - 113,000.00	40.80	31.60	25.50	19.40	10.20
113,000.01 - 114,000.00	41.70	32.30	26.00	19.80	10.40
114,000.01 - 115,000.00	42.50	32.90	26.60	20.20	10.60
115,000.01 - 116,000.00	43.30	33.60	27.10	20.60	10.80
116,000.01 - 117,000.00	44.20	34.20	27.60	21.00	11.00
117,000.01 - 118,000.00	45.00	34.90	28.10	21.40	11.30
118,000.01 - 119,000.00	45.80	35.50	28.60	21.80	11.50
119,000.01 - 120,000.00	46.70	36.20	29.20	22.20	11.70

Filing a Disability Claim with the ICI Program

How to File a Claim

1. Contact Aetna to file a claim. See the *Contact Us* section. Telephone filing is encouraged. You may file a claim up to 30 days before your anticipated last day worked in cases of impending childbirth or scheduled surgery, but no more than 12 months after your last day in pay status. File your claim with Aetna as soon as possible after your last day worked. The effective date of your benefit can be no earlier than 90 days before your claim is filed. If you wait, you could miss out on some benefits.
2. Aetna will send you an introductory packet. Complete and return the medical release form and the *ICI/Long-Term Disability Insurance Repayment Agreement (ET-5375)* to Aetna.
3. A licensed physician will be required to submit medical information concerning your disability to Aetna.
 - A licensed physician as defined in the ICI plan language includes a medical doctor, doctor of osteopathy, surgeon, podiatrist, dentist or nurse practitioner licensed to practice by a state within the United States. This also includes a physician's assistant or psychologist who is acting within the lawful scope of his or her license and performs a service which is supervised by a licensed medical doctor, doctor of osteopathy or surgeon.
 - For a short-term disability (a disability lasting 12 months or less), a physician must certify that you are not able to perform the duties of your position.
 - If your physician states that you can return to work if the employer makes reasonable accommodations to your disability, and if your employer agrees to make those accommodations, your claim will be denied.
 - For a long-term disability (a disability lasting longer than 12 months), a physician must certify that you are not able to engage in any substantial gainful activity (see *Definitions*) for which you are reasonably qualified, with due regard to your education, training and experience.
4. Aetna will periodically contact your physician to receive updated information on your disability and expected return to work. You will be responsible for costs associated with the medical exams.
5. Your employer must complete the *ICI Employer Statement (ET-5351)*, which they will receive from Aetna.
6. After contacting your physician and employer, Aetna will determine whether you should be approved for the benefit.

If you are approved, you will receive a letter from Aetna describing how much your benefit will be and when it will start. If you are denied, you will receive a letter from Aetna stating the reasons for the denial.

Administrative Review Process

If you do not agree with a decision or determination made by Aetna, you have the right to request, in writing, that Aetna reconsider the determination. Aetna must receive your request for reconsideration within 90 days of the date of the determination letter. With the reconsideration request you must specifically state how you believe the administrator erred in interpreting the plan provisions. Provide Aetna with any and all documentation including medical records relevant to the claimed disability and your position regarding the determination.

After reviewing all of the new and original information, Aetna will send you a letter that contains the reconsidered decision. If you do not agree with the decision at the reconsideration level of the appeal process, you have the right to request a Departmental Determination from ETF. Your written request must be received by ETF within 90 days of the date of the reconsideration letter.

Filing a Disability Claim with the ICI Program (continued)

If you request a Departmental Determination, ETF will determine whether Aetna erred in its decision. ETF relies upon the medical records/notes and the review performed by Aetna's medical consultants to make a determination.

If you do not agree with the Departmental Determination and you wish to pursue the matter further, you may request an appeal to the Group Insurance Board. You must request the appeal in writing. The written appeal request must be received by the Appeals Coordinator within 90 days of the date of the notice. The Appeals Coordinator will provide you with a booklet covering the appeals process and time frames.

Disabilities Not Covered

Benefit payments are not available for total disability that begins prior to the effective date of coverage (standard or supplemental), or disability that is:

- the direct result of war, declared or undeclared. The act of war shall be determined by the Group Insurance Board.
- the direct or indirect result of intentional self-inflicted injury for monetary gain.
- the direct or indirect result of participation in the commission of a crime other than a misdemeanor.
- the direct or indirect result from cosmetic surgery, except for complications thereof.

A condition which is present but not disabling prior to the effective date of coverage is not excluded from benefits.

When Will my Benefit Start?

Your ICI benefit will begin after you serve your selected elimination period. Employees have an elimination period of 30, 60, 90, 120 or 180 days.

The elimination period begins on the first full day that you are continuously and completely absent from work due to disability. If you return to work during your elimination period, even to perform incidental work at your employer's request, your elimination period will be extended by one day for each day or portion of a day spent doing incidental work functions. Before performing any work during your elimination period, you should discuss the issue with Aetna.

How Much Will I Receive?

The ICI benefit is calculated by multiplying your average monthly salary from the previous year by 75%. For disabilities lasting longer than 12 months, a supplement of \$75 per month is added to the normal benefit amount.

ICI benefits will not duplicate other benefits available to you. Therefore, your ICI benefit will be reduced by income received from sources including, but not limited to:

- Social Security (regular or disability);*
- Unemployment Compensation;
- Workers' Compensation (except permanent disability awards);
- WRS benefits (retirement, disability retirement, Long-Term Disability Insurance or separation);
- Earnings, including self-employment; and
- Duty Disability.

In addition, your benefit will be reduced at the rate of 100% for any vacation, sick leave, holiday or compensation pay you receive after your elimination period.

If you receive income from any of the above sources, it is prudent not to spend it until the ICI amount to be repaid is provided to you by Aetna. You will be required to repay any benefits you receive or are eligible to receive that cover the same time period as your ICI benefits. You must apply for all other benefits that you might be eligible to receive. If you fail to do this, your ICI benefit will be reduced by the largest benefit you could receive from another source.

If you are approved to return to part-time employment with your prior employer, your benefit will be reduced (offset) at the rate of 75% of your earnings. If medical evidence indicates you are capable of working part-time but you do not return to work, your benefit will be reduced by an estimated earnings offset. See the *Returning to Work* section for more information.

Waiver of Premium

ICI premiums are waived effective the first of the month following the date ICI benefits begin. (Exception: If benefits begin on the first day of a month, the premium waiver begins on the same day.) The waiver of premium remains in effect for as long as you continue to be eligible for benefits. If benefits are terminated because you returned to full-time employment with a WRS-covered employer who participates in the ICI program, premium payments will resume. If you choose to remain on a leave of absence after your disability ceases and have not terminated employment, you must immediately make arrangements for payment of premium through your employer. Otherwise, coverage will terminate and can be reinstated only after you return to work and reapply for coverage.

*If Social Security Benefits Are Denied...

When Social Security benefits have been initially denied, you are required to pursue the appeal through the hearing level. The ICI program may provide a Social Security advocate or facilitator to assist you in the appeal process. You are required to cooperate with the Social Security advocate or facilitator to avoid suspension or termination of your ICI benefits.

The ICI program does not require you to obtain an attorney to assist you in obtaining Social Security benefits. However, if you do decide to obtain an attorney and you win your appeal, the ICI program will not consider the attorney fees as a reduction to the ICI benefit if the Social Security Administration (SSA) approves the amount to be paid to the attorney. Documentation of SSA approval of such fees must be provided to the ICI plan.

How Much Will I Receive? (continued)

Taxable Benefits

As the percentage of the total premium paid by your employer as a fringe benefit increases, there is a corresponding increase in the percentage of benefits that is considered taxable income. The taxable portion is based on an average of the premium percentage paid by the employer over the three years prior to the year in which ICI benefits are first paid. If a portion of the ICI benefit is based on the supplemental coverage, that portion of the benefit is not taxable because you are required to pay the entire premium for the supplemental coverage. However, due to changes in the tax laws and the interpretation of the revenue code, you should consult both state and federal tax authorities for answers to any specific questions you have concerning the exclusion or inclusion of such benefit payments as taxable income.

The following is an aid for the tax authorities in determining the extent of employer contribution toward premium for the ICI plan:

Taxable Portion of Employer Contribution:

Select Elimination Period	Percent of Gross Premium Paid by the Employer
30-day plan	33%
60-day plan	42%
90-day plan	50%
120-day plan	63%
180-day plan	100%

Aetna will automatically withhold federal income tax from the taxable portion of a benefit. The amount of federal income tax withheld will equal the deduction for a single person with zero (0) exemptions. If you wish to change the amount of federal tax withheld, you may submit Form W-4S or W-4 (available from the IRS) to Aetna.

Wisconsin state income tax will only be withheld from a taxable ICI benefit if you submit the Wisconsin Withholding Exemption Form WT-4. It is available from the Wisconsin Department of Revenue.

FICA: Social Security regulations provide that any income received from a sickness or disability plan during the first six months of a disability is subject to withholding for Social Security contributions if the employer has paid a portion of the premiums. The percent of the benefit subject to Social Security contributions equals the percent of the gross premium paid by your employer. Any ICI benefits you receive during the first six months of disability will reflect this deduction for Social Security contributions unless your WRS employment is terminated and you are approved for a 40.63 disability annuity.

Participant's Responsibilities While Receiving the Benefit

Annual Statement of Earnings

After the first year of ICI benefits, you will be required to complete and return to ETF the *Annual Statement of Earnings* (ET-5905) on which you will report all earnings for the prior calendar year. Aetna normally sends this form out on March 1, and the statements are due April 30.

Medical Reports to Substantiate Disability

Your physician and Aetna will work together to determine how often your physician should follow up with you to certify that you are still disabled. Aetna will periodically ask your physician to complete supplemental medical forms (called Attending Physician Statement – APS). *Cost for medical exams and copies of the medical records are your responsibility.*

Failure to Comply

Benefits may be suspended or terminated if you fail to provide required information within 60 days of the date of the initial request or if you do not otherwise cooperate in meeting the program requirements.

Returning to Work

You may return to work with your prior WRS employer given the physician's release to return to work and the employer's ability to accommodate any restrictions imposed. Earnings paid when you return to work less than full-time will be offset at 75% (see example below). Earnings include pay for days taken as vacation, holiday or compensation time. Paid sick leave will be offset at 100%. Your part-time earnings will be offset based on the date of your earnings check. For example, your earnings check dated July 1 will be offset from the ICI benefit check dated August 1 (which covers the month of July).

If you are receiving long term ICI benefits, you will be required to provide objective medical evidence (see *Definitions*) on a quarterly basis to continue to substantiate the disability. If you are released to return to work full-time and your employer can accommodate your restrictions, if any, and you do not return, benefits will be reduced by your estimated earnings or terminated.

If your physician releases you to return to work part-time but you choose not to, or you return to work but you do not work the number of hours your physician released you to return to work, your ICI benefit will be offset by an estimated offset. The offset will be calculated by taking the number of hours released to work times the hourly rate in effect at the time you became disabled.

If you are unable to work the number of hours your physician released you to work because of your medical condition, you should contact your physician immediately to discuss your inability to work those hours. Your physician will need to amend your restrictions. It is extremely important that your medical records reflect your ability to work for benefit payment purposes.

Rehabilitative Training

If you have a rehabilitation plan that was approved by the Wisconsin Division of Vocational Rehabilitation (DVR), you need to contact Aetna and provide them with a copy of your approved plan. You will need to sign a release allowing the ICI program access to your pre-approved plan.

As an incentive to return to work, only 75% of earnings from approved rehabilitative employment may apply to the reduction of your ICI benefits. Earnings from non-approved rehabilitative employment will reduce your ICI benefit amount dollar-for-dollar (100%). The offset for the rehabilitative earnings are based on the date of the earnings check.

Example: Benefit reduction due to earnings from part-time return to work.

Monthly income continuation benefit		\$2,416.67
Less: earnings with prior employer	- \$1,000.00	
Offset reduced to 75%	<u>x 75%</u>	<u>750.00</u>
Net monthly income continuation benefit		\$1,666.67
Plus: earnings		<u>+ 1,000.00</u>
Total monthly income		\$2,666.67

When Will my Benefit End?

Your ICI benefit will end on the earliest of the following dates:

- when medical evidence shows that you are capable of performing the duties of your position (or of any position if the disability is long term);
- when you return to your former employment status (see the *Returning to Work* section);
- when you die; or
- when you reach age 65; however, if you become disabled when you are age 62 or older, your benefit may be payable longer. (See table at right.)

Age at Disablement	Maximum Time Benefits Are Paid
61 or younger	To age 65
62	3.5 years
63	3 years
64	2.5 years
65	2 years
66	1.75 years
67	1.5 years
68	1.25 years
69	To age 70

Frequently Asked Questions

Q: When will I receive my benefit check?

A: The benefit is paid monthly. The benefit payment for a given month is sent on the first of the following month. The first month payable will be the month after your elimination period.

Q: Is the benefit taxable?

A: If your employer is paying part of the premium, the benefit is taxable. The percent of premium paid by your employer determines the amount that is taxable. Because your employer does not pay any part of the premiums for supplemental coverage, the portion of your benefit that is more than \$4,000 is not taxable.

Q: When will my coverage terminate?

A: ICI coverage terminates on the date you resign, are dismissed, terminate employment, retire, turn age 70 or die, whichever occurs first. If your employer withdraws from the program, coverage shall terminate at the end of the calendar year.

Q: How does receiving a retirement or separation lump sum benefit affect my ICI benefit?

A: If you receive a monthly retirement benefit from the WRS, your ICI will be reduced by the largest benefit amount you are eligible to receive, even if you choose an option that pays a reduced benefit. If you take a separation or lump sum benefit, your ICI benefit will be reduced by an equivalent monthly amount.

Definitions

Date of Disability – The day after your last day worked or the date your physician indicates that your medical condition meets the program’s disability definition, whichever is later.

Elimination Period – This is the number of calendar days in which you must be completely off work in order to receive ICI benefits. Employees may select an elimination period up to 180 days.

Objective Medical Evidence – Test results such as blood tests, MRI, CAT scan, X-rays, etc. and physician’s notes of regular visits recording the physician’s observations of disabling symptoms and conditions. The physician’s opinion may rely in part on records of care provided by other medical professionals under the supervision of a physician, including but not limited to physician’s assistants, midwives, psychologists and psychotherapists (MMSW). The actual certification of disability must come from the licensed medical doctor, doctor of osteopathy, surgeon podiatrist, dentist or nurse practitioner.

Regular Care and Attendance – Planned program of observation and treatment requiring personal attendance by a physician.

Substantial Gainful Activity – Gross earnings that are equal to or greater than the gross ICI benefit for the same period of time.

Totally Disabled – The ICI program has two definitions of disability depending on the duration of the disability:

Short-Term Disability – the first 12 months of disability, while you are under the regular care and attendance of a physician, and your disability makes you unable to perform your job.

Long-Term Disability – after the first 12 months of disability, while you are under the regular care and attendance of a physician, and your disability makes you unable to engage in any substantial gainful activity for which you are reasonably qualified.

Contact Us

Contact ETF

See the back cover for contact information.

Contact Aetna

Toll Free: 1-800-960-0052

Fax: 1-866-667-1987

Write Aetna:

Aetna, Inc.

P.O. Box 14560

Lexington, KY 40512-4560

ICILTDI@Aetna.com

Contact ETF

Visit us online at etf.wi.gov

Find Wisconsin Retirement System benefits information, forms and publications, benefit calculators, educational offerings, email and other online resources.

Call us toll free at 1-877-533-5020 or 608-266-3285 (local Madison)

Benefit specialists are available 7:00 a.m. to 5:00 p.m. (CST) Monday-Friday

Self-Service: Order forms and brochures, or change your address information
24 hours a day, 7 days a week.

Wisconsin Relay Service for hearing and speech impaired: 7-1-1
1-800-947-3529 (English), 1-800-833-7813 (Spanish)

Write or Return Forms

P.O. Box 7931
Madison, WI 53707-7931

Visit by Appointment

801 West Badger Road
Madison, WI 53713
7:45 a.m. to 4:30 p.m.

